

**Record of Conversation between Gorbachev and Baker
delegations), Moscow**

(with

May 18, 1990

[Shevardnadze was present at the first part of conversation]

Gorbachev. I am glad to see you in Moscow, Mr. Secretary. The regularity of our meetings is evidence of the fact that we not only want to maintain the capital we have accumulated, but we aim to increase it. And capital likes it when it grows.

The very fact that in the context of current events our contacts are becoming more, rather than less, dynamic, is significant in itself. The opposite would have happened in the past. When difficulties would arise in some part of the world-- since we and you are involved everywhere one way or another--we would start looking at each other sideways and even take steps to slow down the development of our relations. Nowadays, the bigger and more difficult the problem, the more active our dialogue. I appreciate this.

At the same time I have to say that I've been observing the events unfolding and I'm coming to the conclusion that the United States has not yet finalized the process of determining its relationship to the Soviet Union. I've said many times before that at times like these, times of great changes, we cannot view our relations in the context of one presidential term. We are

building the foundation for more than just the relationship between our two countries--we are setting up new relationships throughout the whole world. We are essentially the architects and builders of a new world.

I think that something is troubling you after all. I think there are two main problems.

First, there is the question of whether you should get seriously involved with us. We know that you have different advice and opinions on this. So far, at least, the President and you have shown restraint and withstood the pressure; you are holding your position. I value that.

Secondly, I was under the impression that we formed a mutual understanding about the kind of relationship we would like to have between our countries at the current stage. One of the central points of this mutual understanding is that both of us would like to see the other side strong and confident in its security--not just military security, but also economic and national as a whole. We are interested in a strong, confident United States, and you are interested in a strong, confident Soviet Union.

As far back as two-three years ago we predicted that we are standing at the threshold of a major regrouping of forces in the world. Back then we decided that in these circumstances, our

cooperation is not only useful, but absolutely vital for us and for the whole world.

However, I think that periodically, when the time comes to move from the philosophical level to implementation with specific political actions, we see relapses of the past. We see actions based on the traditions and habits of the past decades.

I see that sometimes, when we are going through critical moments in our relationship, so to speak, you want to take advantage of the situation, to get the better of us. In the past, I would have simply taken note of this and continued to watch the situation. But right now our relationship is such that I can openly share my impressions with you.

What am I talking about specifically? You are a clear thinker, and I value that. That is why I will speak with you frankly and clearly. Let's look at Eastern Europe. Everything that is happening there now corresponds to what we discussed before. I hope you see that our actions strictly follow what I told you then. At the same time, I have information that the goal of your policies is to separate Eastern European countries from the Soviet Union.

Or take the question of German unification. Your position on this issue is contradictory. I do not know what drives it. Maybe you are afraid of European unification? I have said many times, both here and in Europe, and I can confirm it right now: we

understand the necessity of American participation--not necessarily military participation--in all European processes. That is a given. But now you say: both Germanys are peaceful, democratic countries, and there is no reason to see any danger in what is happening. You say that we are exaggerating the danger. But I told President Bush, if this is the case, if you don't consider it an important factor, then why not agree to have united Germany join the Warsaw Pact?

Or another aspect: you say that we can trust the Germans, that they've proven themselves. But if this is the case, then why include Germany in NATO? You respond that if Germany does not become a part of NATO, it could create a problem in Europe. So it turns out you do not trust Germany.

I would understand if you provided some other, realistic arguments. I will be frank with you. If you said that Germany's absence in NATO would disrupt the existing security structure in Europe, I might have understood you. In that case let us think; let us look for a way to replace the current security structure, which is based on the existence of two military-political blocs, with some new structure. Let us think how to move towards this new structure. But you say that NATO is necessary right now and will be necessary practically forever. And you immediately add that the Soviet Union continues to have a large army and is

strongly armed, that is why, so to speak, NATO will always be necessary.

In general, I repeat, your position and your arguments are contradictory. They do not agree with the core approaches we agreed to instill in our relations.

What is my point? Once again I will be frank. If a united Germany enters NATO, it will create a serious shift in the correlation of forces, the entire strategic balance. We will be faced with the question of what our next step should be. You are a logical thinker, so you understand this. Evidently we would have to halt all discussions in the sphere of disarmament; we would have to analyze what changes to make in our doctrine and positions at the Vienna negotiations, to our plans for reduction of military forces. The question arises why we are doing all of this. And it is a very serious question.

We would like to count on a serious approach from your side. And when we see signs that you are playing a game, we grow worried. Is it necessary? Can we allow our relationship to turn into a petty intrigue? The Soviet Union is undergoing major changes; we are going through a renewal, which is an inevitably difficult process. We see that sometimes you are tempted to take advantage of the situation. I think doing that would be a very big mistake.

And finally, the synthesizing aspect. We inform you about our plans. By carrying out perestroika and transforming our politics through New Thinking, we would like to move towards the West, the United States. We would like to open our country to the world. We said that our goal is to integrate our country as fully as possible into the political, economic, and cultural processes taking place in the world. We had an understanding with you that new relations between the USSR and the U.S. will benefit not only our countries, but, considering the central position of our countries in the world, it would benefit the whole world. Now I ask myself: does the U.S. Administration follow the understanding we reached.

I will tell you how it looks from Moscow. From here we see the whole spectrum, and we see many nuances. We note many positive aspects in your position. At the same time, some elements worry us.

Right now we are approaching a major turning point in the Soviet Union, which will determine the future of our economy in the short and medium term. Naturally, it will reflect on all the other spheres of life in our country--political, social, cultural, interethnic relations, and international relations. We have come to the point where we need to introduce a regulated market economy in our country. This is a pivotal step in our

perestroika. We are talking about fundamental changes at the very core of our economy.

I am talking about property privatization, antimonopoly measures, and the introduction of all types of property--stock ownership, cooperative property, collective property, private property. We will be reforming the bank system, organizing a stock market and commodity exchange, building a tax system, creating a social security system, and doing price reforms. It will be a radical change.

Therefore, we are talking about a critical point in our perestroika. And at this stage we have a right to count on the understanding and solidarity of our partners. In any case, events somewhere in Nagorno-Karabakh or Vilnius should not take up more of the Administration's and Congress's attention than this monumental turning-point. I will say more: we need not only understanding from our partners, but cooperation as well.

What is the U.S. doing? The U.S. welcomes perestroika, as you mentioned numerous times, Mr. Secretary. You quite competently described the problems we are facing today in our perestroika. At the same time, you caution everyone against helping the Soviet Union. You say: let them take care of themselves, helping them will only slow down the real perestroika.

I cannot understand that argument. It seems like instead of showing solidarity during this time, you would prefer that we figure out this mess ourselves. You might even think that if our situation gets worse, that won't be such a bad thing for you.

I am saying all of this so you can think it over before our meetings in Washington and Camp David. Will we continue what we started together, or will we step away from the coordinated approach and understanding of the roles and positions of our countries, our relationship during this historic period?

We both have to choose right now. I thought the choice had already been made. However, recently there have been moments when it seems that you are still deciding.

I wanted to say all of this in a confidential conversation, rather than in a meeting with a bigger group. I think this will be useful for the President when he is preparing for our meeting.

Baker. Mr. President, it is very good that you decided to raise these issues in a narrow circle. And in general it is good that you brought them up.

This gives me the opportunity to respond to these legitimate concerns. It will also give President Bush the opportunity, after he reviews the transcript of this conversation, to concentrate his attention on questions that are legitimate and appropriate topics for discussion.

It is true that at the early stages of this administration there was a period when we were deciding what our relationship with the Soviet Union should be. However, this period ended almost a year ago, after my trip to Moscow, my meeting with you, and lengthy conversations with E.A. Shevardnadze. Right now we are not debating the nature of our relationship with the USSR. We know very well what we would like the relationship to be. As I said in Wyoming, we would like our relationship to shift from competition to dialogue and cooperation on all fronts. Naturally, this will depend not only on the actions of the United States, but of the Soviet Union as well. However, I want to assure you that the U.S. leadership is not debating whether to place our stakes on your policies and perestroika. The President and I made the decision last year, and we will adhere to it firmly.

In October of last year I made a speech in which I emphasized that we will look for new avenues of cooperation with the USSR. I talked about the need to look for points of mutually beneficial contact. It is true that there is a great deal of debate in the United States whether your efforts will be successful. It is no secret that there are some people who would prefer to see you fail. These are the "Cold War" warriors, people who can't give up old habits. There are also quite a few people who criticize me and the President for placing too much hope in your success and for taking actions to help you.

This is all true. But I appreciate the fact that you noted our restraint, and our refusal to give in to the strong pressure we are under right now. I told E.A. Shevardnadze numerous times that I had my doubts whether we could hold on to our current positions.

We cannot forget that there are some substantial differences between us. For example, it is no accident that the flags of independent Baltic nations still hang in the lobby of the State Department. We never recognized their incorporation into the USSR. I touched upon this subject for the first time last year, on the way to Wyoming. Today, when this issue is quite critical, we would really like to see the beginning of a conversation that could eventually lead to a solution. At no cost do we want instability in the Soviet Union. We say this constantly. The President and I are always emphasizing that we are not seeking unilateral advantages from the changes happening in the Soviet Union. We are not playing political games or seeking to win. Later I would like to show you that our position on German unification aims to take your position and your concerns into consideration.

I've been asked on many occasions: what can we do to assist perestroika? I think that our first priority should be to help create a stable international environment for perestroika. That is exactly what I am trying to do.

During my last two addresses to the U.S. Congress I had to answer a multitude of questions regarding Lithuania, I had to defend our position. I was subjected to some serious criticism. The President and I were accused of giving up on our principles. I responded that our support for the aspirations of the Baltic States peoples does not contradict our support for perestroika. I emphasized the important interests at stake in our relations with the Soviet Union.

The agreement on conventional armed forces, START, continued cooperation in resolving regional conflicts--cooperation that did not exist in the past, but we were able to establish in the past two years--all of these are of great importance to us.

Our policy shift from competition to cooperation does not mean we will always agree on everything. I mentioned our disagreement on the Baltic republics. It is based on history. At the same time, we understand your concern that the Baltics do not create a precedent for the other republics. I told E.A. Shevardnadze on several occasions that we take into account the legal differences between the Baltic States and other Soviet republics.

We have disagreements over Cuba. We understand that you have certain obligations to this country. But our differences remain. And yet, despite these differences, we have to keep moving from competition to cooperation. We understand the difficulties you

are facing, and what kind of pressure you are under. We believe that everything you are doing right now--changing the political, social, and economic approaches that have formed in your country over the last 70 years--is a courageous effort and we support it. Over the last year and a half we succeeded in shifting the American public opinion in the direction of supporting your policies. Still, we have a vocal minority that wants to continue the "Cold War," they don't want to trust the Russians. When the events started in Lithuania, when the economic embargo was introduced, some people started saying, "Look, Bush and Baker are naïve, while the bear remains a bear."

Allow me to say a couple words about your remark that we are cautioning others against helping the Soviet Union. You must be talking about our position on the European Bank for Reconstruction and Development.

Indeed, due to internal political reasons, our position is that we cannot support the use of American taxpayer money to subsidize loans to state-owned enterprises or institutions in the Soviet Union. Moreover, under the current regulations of the Bank, the Soviet Union could borrow the entire amount of its contributed capital, which would be very difficult for us to push through Congress. This is due to the fact that, according to our data at least, you continue to allocate significant resources, 14-15 billion dollars per year, to support regimes in countries

such as Cuba, which engage in subversive activities against other countries.

Therefore some people, some congressmen, say: "How can we support giving American taxpayer money to the Soviet Union, when the Soviet Union supports Cuba?" The same goes for direct loans, which I discussed with your Minister of Finance when he was in Washington.

Gorbachev. Yes, he said that the Secretary of State flatly rejected this option. However, other countries are willing to assist us. For example, I was in Sverdlovsk recently and visited a factory that used to profile in the defense industry and space. Right now it is in the process of conversion. They have good plans, highly qualified workers, engineers. The problem is that the conversion will take 2-3 years, and in the meantime, while military production is stopped, their financial position is very difficult. Philips has expressed interest in this factory. In the beginning they were only interested in the factory's research work; they were not interested in investing money for conversion. Naturally, they are careful people. However, when we showed them the factory, they apologized and agreed to full cooperation. In two years this enterprise will be producing consumer goods competitive on any market.

This is an example of cooperation. Of course, we have long traditions with West Germany in this sphere. But I am convinced

and I have said this many times, there can be no stable relations between the USSR and the U.S. if they are not supported by economic ties. What do we have right now? Grain purchases from the U.S. But is this real economic cooperation?

Baker. I agree with you completely.

Gorbachev. As for our connections with other countries, which you don't like, I can tell you this: in our administration and our Supreme Soviet there is a sentiment to build economic relations in a new way, in the spirit of new political thinking and in accordance with our country's domestic priorities. So we will rebuild them. But we cannot do it in one day. Only the United States can, for example, in one fell swoop impose an embargo on grain deliveries to the Soviet Union.

Baker. That was not under our administration. It was a big mistake, and it will not happen again.

A few months ago President Bush talked about the need to expand economic ties with the Soviet Union. I also think we have to look for ways to establish economic cooperation. However, I have to try to explain to you some of the historic factors in our domestic policy that we have to take into account in our country. We cannot give consent to grant loans (in excess of the Soviet Union's contributed capital) with funds allocated to the EBRD from American taxpayers, while we will be told that the Soviet Union is subsidizing countries like Cuba. At the same time, as

you know, yesterday the United States voted together with other countries to grant the Soviet Union observer status in GATT.

Gorbachev. But you hesitated for a long time. Others agreed sooner.

Baker. Yes, like Japan, we hesitated because there are different opinions in the U.S. on this subject.

Gorbachev. Yes, here too.

Baker. I know that.

Gorbachev. We are being told that we supposedly betrayed the developing world; we threw it under the bus of imperialism. As if we are some kind of social security for developing nations. They accuse us of betraying the Arabs, of practically fighting on the side of Israel. Right now this is compounded by the problem of Soviet emigrants settling in the Israeli occupied territories. In my opinion it is a real provocation, aimed at pitting the U.S. and USSR against each other.

We are being accused of giving away too much in the disarmament negotiations, that we are surrendering our positions, etc. In general, there is a major struggle, and in these circumstances I hope I can expect that you won't simply wait around for the fruit to fall into your basket.

Baker. No, we are not going to wait and do nothing.

Gorbachev. Because first, the harvest has to ripen. Otherwise you could end up with an empty basket.

Baker. We are for economic cooperation with the Soviet Union. For example, yesterday I suggested to E.A. Shevardnadze the idea of Soviet participation in the program to promote the development of Central American countries on an international basis. A similar program is being implemented in Eastern Europe by the "Group of 24," and it has raised 14 billion dollars for countries such as Poland and Hungary.

In September, in Wyoming, I said that we are ready for broad technological and economic cooperation with the Soviet Union, which we hope will be beneficial to both countries. We can defend mutually beneficial cooperation in Congress. However, we cannot get support for programs that involve the use of U.S. taxpayers' money.

Yesterday I said that as you develop your major economic measures, we are ready to help with consulting and offer the services of our chief experts and economists.

Gorbachev. I plan to raise the question of economic cooperation with the President. Today, when we are preparing for a major, radical economic turn, it is important for us to get some temporary reinforcement. The transition to a market economy may be accompanied by more serious complications, and we will need some oxygen during this time. Moreover, we are not asking for a gift, we need targeted loans. We have, for example, some Ministry of Defense enterprises that, after a 100-200 million

investment, will soon start manufacturing civilian products worth 1-2-4 billion.

To avoid major complications associated with the introduction of new prices and market mechanisms, we will need trade credits as well. We estimated that we would need around 15-20 billion, which we will start to repay in 7-8 years. It's not much, and the need arose only because of the circumstances.

We wanted to postpone the implementation of radical economic reforms for a little while, however, political processes took such a turn that the old command economy system is being dismantled completely. We need to move faster to replace it with a new, market system. We need the resources I'm talking about in order to maneuver. Overall, 20 billion is not such a great sum for you or for us, but under the circumstances, we need it precisely at this moment. We are planning to present a market economy transition program to the Supreme Soviet by May 25th. So I will bring up this question with the President. I must say, in the West this has generally been met with understanding.

Baker. The President is familiar with this issue. I discussed it with your Minister of Finance in Washington. When I return home, I will think it over again and speak with the President.

Gorbachev. We discussed it with a number of European representatives, and the necessary amount is mostly starting to

emerge. However, we need understanding from your side, as well. The situation demands it. I personally don't like being in debt, but I am a realist and see that this solution is necessary.

Baker. I believe that you will not have much difficulty in obtaining credits for this sum in the West, especially if you are willing to take them with a respective mortgage, which, as I understand, you are.

I will speak with the President about it.

Gorbachev. I want to emphasize that only part of the credit will go towards the purchase of goods; the rest will go into investments, possibly including joint ventures, expanding production, conversion, etc.

Baker. I will try to convey to the President the importance you place on U.S. participation in this program.

Gorbachev. Precisely. After all, it would be strange if now, when we are talking about improving Soviet-American relations, the United States did not respond and participate.

I recently watched a documentary on the history of Soviet-American relations. It is truly a story of missed opportunities, the list is staggering. So I ask myself: will we really let ourselves miss this opportunity, too?

Baker. I will speak with the President. Please understand that due to domestic politics in the United States, giving a direct loan to the Soviet Union, or credits through multilateral

financial institutions such as the EBRD, is met with traditional negative context.

Gorbachev. It could be done some other way, for example through a consortium.

Baker. You see, partly because of the inertia of historical stereotypes and partly for valid reasons, many people in the U.S. will say that we simply cannot give loans to the Soviet Union while it continues to supply MiG-29 airplanes to Cuba or resorts to economic pressure on the Baltic States. Of course to this you would say: are Vilnius or two-three MiG-29s really more important than perestroika in the Soviet Union? And this is a legitimate question. However, we cannot ignore a certain atmosphere that exists on the American political stage. The vast majority of our senators are in favor of halting the development of economic relations with the USSR until the problem in the Baltics is resolved. I don't need to tell you how sensitive the subject of Cuba is in the U.S. We have to take all of this into consideration.

Before saying a few words about the German issue, I wanted to emphasize that our policies are not aimed at separating Eastern Europe from the Soviet Union. We had that policy before. But today we are interested in building a stable Europe, and doing it together with you.

You say: if the U.S. trusts Germany, why include it in NATO?
My reply: if you trust the Germans, then why not give them an opportunity to make their own choice? We are not forcing them to join NATO. The reason we want unified Germany to be a NATO member is not because we are afraid of the Soviet Union, but because we believe that unless Germany is solidly rooted in European institutions, conditions could arise to repeat the past.

You've studied history as I have, you remember the League of Nations. It's nice to talk about pan-European security structures, the role of the CSCE. It is a wonderful dream, but just a dream. In the meantime, NATO already exists and participation in NATO will mean that Germany will continue to rely on this alliance to ensure its security.

Gorbachev. And yet, what is the purpose of NATO? It was created for a different time, what is its purpose now?

Baker. If Germany is not firmly rooted in the existing security structure, there will be an entity in the heart of Europe that will be concerned with ensuring its security by other means. It will want nuclear security, whereas now, this security is provided by the U.S. nuclear umbrella. If Germany remains in NATO, it will have a much easier time renouncing its nuclear, biological, or chemical potential.

At the same time, I want to say that we understand why Germany's membership in NATO presents a psychological problem for the Soviet Union.

Gorbachev. Let's examine this issue from a military standpoint. Right now, when the Warsaw Treaty is rapidly turning into a purely political organization, Germany's membership in NATO will strengthen your military alliance.

Baker. In the immediate, short-term, maybe. However, we are currently talking about a change, about adapting NATO, giving it a more political nature.

We recognize the importance of reducing the Bundeswehr. However, we have a disagreement regarding the best platform to negotiate this. But we understand your concerns and we are taking them into account. I don't think that we are trying to get unilateral benefits.

We want stability in Europe, and we wish success to perestroika. Same as you, we went through two wars that were the result of instability in Europe. We do not want this to happen again.

Allow me to give you some examples of ways in which we tried to take your completely legitimate concerns into consideration as we developed our policy towards Germany.

First. We proposed to review the reduction and limitation of the Bundeswehr at the second phase of the Vienna talks, which

should begin immediately after the signing of the first agreement on conventional armed forces. We spoke about this with the Germans, and I think they will agree.

Second. President Bush proposed to hasten the start of negotiations on tactical nuclear weapons.

Third. We proposed, and the Germans agreed, that Germany would pledge not to produce, develop, or acquire chemical or biological weapons.

Fourth. We proposed that for an agreed transition period, NATO troops would not be stationed on the territory of the GDR.

Fifth. We also proposed that for an agreed transition period Soviet troops would remain on the territory of the GDR.

Sixth. NATO will undergo an evolution to become more of a political organization. Moreover, there will be a major review of military strategy in light of the reduced effectiveness of the Warsaw Pact and the need to strengthen the political role of the alliances, as you mentioned.

Seventh. We put a great deal of effort into reaching an agreement on Germany's borders. Right now we have a solid understanding that a united Germany will include only the territory of the GDR, FRG, and Berlin. This is important to the Poles, as well as some Western European countries. Evidently it is also important to the Soviet Union.

Eighth. We are making an effort in various forums to ultimately transform the CSCE into a permanent institution that would become an important cornerstone of a new Europe. This institution would include all the European countries, the Soviet Union, and the United States. I proposed to hold a meeting of foreign ministers of 35 countries this September in New York, to prepare for the Summit of the CSCE.

And finally, the ninth point. We are actively trying to make sure that the Soviet Union's economic interests are duly considered during the unification process.

We are fully aware that including a united Germany in NATO is a political problem for you. Nevertheless, we believe that if a united Germany is firmly anchored in the framework of this time-tested security institution, it will never want to have its own nuclear capability or its own independent military command.

Militarily, NATO will look completely different as the result of the changes currently taking place in Central and Eastern Europe.

Of course, if Germany does not want to remain a member of NATO, then it won't. The United States cannot force Germany to be in NATO. This is not a question of whether we trust the Germans. We sincerely believe that NATO is the structure that provides the greatest stability in Europe. And not only in terms of East-West relations. There are a few pockets of instability in Europe,

arising from inter-ethnic rivalries, ethnic tensions, etc. Often this happens in European countries that have nothing to do with the tension between the East and the West.

The fact that Poland, Czechoslovakia, and Hungary supported our approach is not the result of American diplomatic efforts. We welcome their position, but we did not actively seek it.

Incidentally, we expressed our opinion that it would be good for some of these countries to establish regional associations.

So, I understand your concern, it is quite legitimate. I hope that my explanations were useful to you.

Gorbachev. What if your words turn out to be prophetic and a united Germany will not want to remain in NATO? You say that you can't force it. What will happen then?

Baker. I would like to ask you in turn: if Germany is not in NATO, what do you propose?

Gorbachev. I would like us to do something during the negotiations, before the unification. We have this opportunity right now. When this process is finished, we won't have any more opportunities to suggest anything else. That's the point.

Your reasoning is based solely on the idea that a united Germany must be a member of NATO. You are not offering any alternatives. At the same time, you say that at some point Germany could decide not to be in NATO. Let's imagine what would happen when the negotiations are over. Germany will have the

right to leave NATO, but we won't have a chance to offer any alternative. Right now we have this opportunity, we have the rights and responsibilities of the four victorious powers. The unification process is not yet complete.

If we decide that a united Germany will not be a member of any military organization, then of course the question arises about its status. I think it should be a democratic, demilitarized country with clearly defined borders, etc. It would be a new situation, and we would need to secure it in a final peace settlement. The settlement could include your nine points. This would be something everyone could understand. It would be a more or less of a middle ground, though of course Germany would still be closer to you, but the balance would be better.

Baker. You are suggesting that the document stipulate that Germany would not have the right to remain in NATO?

Gorbachev. Germany would be outside any military groups. The same as many other countries.

Baker. So you are talking about a neutral Germany?

Gorbachev. I don't know. Maybe non-aligned. Maybe some special status. For example, France has a special status.

To conclude this part of the conversation, I would like to suggest: let us thoroughly think about this one more time. We will think, and you should think. Let us continue this conversation in Washington. And if none of my arguments convince

you, then I'll suggest to the President and announce publicly that we want to join NATO too. After all, you say that NATO is not directed against us, that it is just a security structure that is adapting to the new reality. So we will propose to join NATO.

Baker. E.A. Shevardnadze was asked about this at a press-conference in Bonn.

Shevardnadze. At the time, I responded that we have not yet submitted an application for admission to NATO.

Gorbachev. In any case, it is not a purely hypothetical question. It's not some absurdity.

Baker. This is interesting. You said there are many neutral and non-aligned countries. This is true. But it is by their choice, not because someone forced them to take this status.

Gorbachev. Well, maybe the Germans will take this status themselves. In any case, there should be some fallback option. Your position is based on only one option. It is what you want. But we want something else. We can't proceed just based on what you want.

Baker. We want it only because they are asking for it themselves. You say that it is unacceptable for you. But neutrality cannot be imposed. You cannot demand it as a condition for the termination of the four powers' obligations. This would be contrary to the principles of the Helsinki Final Act, which

clearly states that countries have the right to participate in alliances. Moreover, such an approach would place Germany in some special category; it would cause a great deal of resentment and hostility on the part of the Germans. In other words, it would sow the seeds of future instability, which is exactly what we don't want.

Gorbachev. What makes you think that resentment will occur only if Germany is not a part of a Western alliance?

Baker. There will be resentment if Germany is separated into some kind of special category, if it is forced to do something against its will. If Germany makes its own choice to become a member of the Warsaw Pact, that would be a different matter.

Gorbachev. If they want to join the Warsaw Pact, what would your response be?

Baker. We will not object, if it would truly be their free choice.

Gorbachev. Thus, we can note that you would react with understanding to such a request.

Baker. The Helsinki Final Act states that any country can be a member of any organization or alliance.

Gorbachev. Can I conclude that should a united Germany want to become a member of the Warsaw Pact, the United States would meet this with understanding?

Baker. We would say: in our view, Germany should be a full member of NATO, however only by its own choice.

Gorbachev. And still, in principle: if a united Germany, based on the principle of the freedom of choice, uses its right to choose the organization it wants to belong to, and decides to become a member of the Warsaw Pact, will you be able to give your consent to that?

Baker. We will say that, in our opinion, it is the wrong decision from the point of view of future stability. However, we will uphold the Helsinki principles.

Gorbachev. I see. Well, I am satisfied: you essentially gave arguments in support of my position. Because we are saying that a united Germany's membership in NATO will change the correlation of forces that has ensured stability in Europe for the past 45 years. Therefore, our argument is a mirror of yours.

Baker. No, I cannot agree with that.

Gorbachev. We must look for a way to combine our approaches. The unification of Germany is a new reality, and this new phenomenon is testing our ability to find solutions based on a balance of interests. After all, we have said this is what we strive for. Right now, when this approach is subjected to the first serious test, we must look for a mutually acceptable solution.

Baker. Let me ask you: would you consent to Germany's free choice to remain a member of NATO?

Gorbachev. I am honest with you and I told you: if a united Germany will belong to NATO or the Warsaw Pact, it will lead to a change in the strategic balance in Europe and the entire world. I think in the current situation you should not leave us stranded. It is a very important moment, and if this happens we could take completely unexpected steps. So let's look for mutually acceptable solutions.

Shevardnadze. I would like to say, Mr. Secretary of State, that when you are thinking about united Germany's membership in NATO, you forget that no one has yet cancelled the Potsdam Agreement. Theoretically, this Agreement defines the structure, military-political status, and conditions such as denazification, demilitarization, and democratization of Germany. It also defines our rights, the rights of the four powers. Right now we are being asked to surrender these rights, but on the basis of a unilateral decision, which only takes into account the interests of the West and does not take into account our concerns.

Secondly. I think the Secretary of State is right when he says that we must consider the public opinion in the United States. And you are talking about the minority of your population. So, I want to say: I am certain that if united Germany becomes a member of NATO, it will blow up perestroika.

Our people will not forgive us. People will say that we ended up the losers, not the winners.

One more thing. I do not share your opinion that pan-European security is only a dream, some kind of fantasy. The CSCE process is a reality. We have to think about European security structures that would not be based on blocs. We can create them.

Gorbachev. And our potential membership in NATO is not such a wild fantasy. After all, there was a big coalition at one time, so why is it impossible now?

Baker. I understand your point that you cannot be left standing on your own right now. Frankly speaking, this is exactly why we proposed the "2+4" mechanism. We recognize the necessity of your participation in regulating the European process, including the process of German unification.

Gorbachev. Exactly right.

Baker. We understand your domestic political factors as well.

Gorbachev. Yes, we are already hearing people say that the mechanism has turned into "1+4." And the Soviet Union is the one, while Germany is in the Western four.

Baker. And one more thing. I said that pan-European security is a dream. What I meant is that it is a dream today. We made concrete proposals on how to build its structures in order for it to become a reality. In the meantime, we consider it important

for Germany to be firmly anchored in security institutions, so it is not tempted to create some kind of security structure of its own. We think it is important for Germany to be a member of the European Economic Community, even though we are not members. We have seen the past results of having a separate, neutral Germany.

Shevardnadze. Two words on the issue of the size of the Bundeswehr. We think a decision on this matter should be made in the framework of the "six," and afterwards consolidated in the framework of the CSCE, at the Vienna negotiations on conventional armed forces. After all, the issue of unified Germany's military potential has to be tied to the external aspects of German unification.

Gorbachev. Summing up, I want to say that we had a good session of "throwing around ideas" before the meeting in Washington.

I recently gave a speech in connection with the 45th anniversary of the victory over Nazi Germany. I talked about the 27 million Soviet citizens who died in the war. But I did not tell the whole story. We lost the best part of our population. And the 18 million wounded and shell-shocked! And the damage to the health of those who, hungry, cold, and poorly dressed, worked on the home front. It was an enormous shock for the entire nation.

Therefore, this is a very complex situation. Our people will not accept a unilateral decision. Not only we, but you too will find yourselves in conflict with our people. So think about it again.

In conclusion, I want to say--do not believe the people who claim that the Soviet Union would like to drive the United States out of Europe. On the contrary, we are convinced that it is impossible to achieve anything in Europe without the United States.

Baker. We never believed such claims.

Gorbachev. Although I am sure that you hear this thesis thrown around, as we do.

[conversation continued with delegations]

Gorbachev. Greetings to my colleagues on both sides. We need your help. I think that the importance of Secretary of State's visit is clear. It is determined by the fact that this visit is happening literally on the eve of the summit. We will review what we already have and what still remains to be done. We have time to accomplish more.

Today I would like to hear your information about the state of [negotiations] on the strategic offensive weapons. Maybe we will be able to resolve some issues right now, and on some, we will issue home assignments.

Baker. E.A. Shevardnadze and I had comprehensive discussions on many issues related to reduction and limitation of armaments, economic cooperation, regional problems, in particular on Afghanistan and Cambodia. Today, in the second part of the day, we will continue our discussion of regional issues and also we will hear reports of the groups on human rights and transnational problems. I would like to mention the fact that there was some progress on eight out of twenty names on the list, which President Bush gave you on Malta.

Gorbachev. If we are talking about progress, Ambassador Matlock has created probably the longest line in Moscow in front of his Embassy.

Matlock. It is becoming shorter.

Baker. Unfortunately, in one case, "progress" meant that the person on the list passed away. Seven received an exit permit. However, twelve people are still being refused an exit visa. Mainly with reference to their knowledge of state secrets. However, none of them had access to classified work for at least ten years. Therefore, we would ask you to give some consideration to this list before your departure for Washington.

Gorbachev. We'll see.

Baker. The majority of our conversations focused on arms reductions and limitations. As you know, we gave E.A. Shevardnadze our new proposals in Bonn, which the Soviet side

then responded to. Over the course of further negotiations we made some progress, but, unfortunately, we cannot yet say that the main questions of strategic offensive weapons have been resolved. President Bush hopes that an agreement on SLCMs and ALCMs will be achieved before your visit to the US. It is very important to him to be able to announce during the visit that we reached an agreement on the main points of the future treaty.

In the course of this meeting we discussed some other aspects of strategic offensive weapons as well. As far as I know, we made some progress on the issue of non-circumvention [as in the text] [sic] and a few others.

We are also prepared to discuss issues concerning the reduction of conventional armed forces, although we do not consider bilateral discussions to be a forum for negotiations and a way to reach an agreement on this issue.

The progress made in preparing the protocols for the nuclear testing agreements gives us every reason to believe that these protocols will be ready for signing at the Summit.

We also moved forward in preparing a joint statement on non-proliferation of nuclear and chemical weapons, as well as missiles and missile technology.

We are very close to agreement on a bilateral agreement on the destruction of chemical weapons. This will be a big step

forward and we are sure that it will be well received around the world.

Shevardnadze. As the Secretary of State noted, the issues of disarmament were the priority at our meeting. I think as the result of our work we have good preconditions to announce in Washington that we have an agreement on the main points of a 50 percent reduction in strategic offensive weapons.

Two problems appear to be the most difficult and delicate. These are air-launched and sea-launched cruise missiles. I will go over the unresolved issues in these spheres.

The question of limiting the number of heavy bombers with ALCMs. The United States is against any kind of limits. Now the Secretary of State has in principle given his consent to establish limits, however, the proposed level--180 units--is too high. Perhaps in the course of this meeting we will be able to reach a compromise.

The second issue concerns the feasibility of discerning nuclear SLCMs from non-nuclear ones. The United States is against such an approach, since they say our agreement not to include any control measures removes the question of distinguishability. This is a serious hurdle. The lack of distinguishable features would prevent us from having a real idea of the state of affairs in this sphere.

We have not yet agreed on the exchange of information regarding naval nuclear weapons with ranges exceeding 300km.

We have not resolved the issue of excluding American non-nuclear missiles "Tacit Rainbow" from the treaty on the range limit of ALCMs. According to the agreement reached in Moscow in 1988, it was supposed to be counted as a nuclear missile. The American side is asking to make an exception.

Gorbachev. In general, how do things stand with control? This is a very important question if the future treaty is to pass the Supreme Soviet.

Shevardnadze. We have reached agreement on the majority of questions in this sphere.

Baker. We have not fully resolved the issue of control over ground mobile ICBMs.

Shevardnadze. According to the current position of the U.S., the Soviet side would have to send 40-50 notifications on the movement of such missiles daily. We are for control, but such an approach would create serious difficulties. I think we should continue discussing this question in the working groups.

Gorbachev. Indeed, it looks like you are avoiding control over SLCMs, which are mobile missiles, while demanding 40-50 notifications per day on our mobile missiles.

Mr. Secretary of State, you recall how in the beginning the United States did not want to discuss SLCMs at all, while we said

that without an agreement on this problem, there would be no treaty at all. So we made a serious concession, we are practically saying that we will take your word for it. What will we tell the Supreme Soviet, how can we explain this decision?

Baker. I will reply to your question.

I will start with the fact that two weeks ago we had big differences on the [subject of] SLCMs and ALCMs. The main differences concerned three issues.

The question of range of ALCMs. From the beginning you argued for the range limit of 600 kilometers. Marshal Akhromeyev even insisted that he reached an agreement on that with P. Nitze several years ago. We don't think so. Our initial position was 1500km. Before the meeting in Bonn, our position was 800km, yours--600km. In Bonn, I told the Minister that if we find a satisfactory resolution on other elements of the package, and in particular, if an exception could be made for the missile "Tacit Rainbow," the range of which is over 600km, then we will agree with your position on the range limits, because you explained to us that your entire anti-air defense system is built on the assumption of precisely that range.

The second issue--the problem of the overall limit on the number of SLCMs. You raised it twice in your conversations with me.

Gorbachev. And I raised it about ten times before you.

Baker. In Bonn I said that even though we always rejected that approach, we are ready to establish the limit of 1000 units. But I have to be honest--such a decision does not sit well with many of us.

Third issue--the limit on the number of heavy bombers. In Bonn I said that having met you halfway on two of the three main issues, we expected that you would agree with our position on the third one. However, yesterday we showed flexibility.

The fact of the matter is that President Bush really wants all issues resolved before the Washington summit. So, yesterday we agreed to the approach you were proposing, on the basis of which heavy bombers over a certain limit would be counted by their real ALCM armament. The only question is the quantitative parameter of this limit.

Thus, we met you halfway on the three main issues that divided us three weeks ago.

There still remains the question of the range limit of SLCMs covered by the political statement. Our position is 300km, yours is 600km. We understand that you have a significant number of SLCM in the range between 300km and 600km. But yesterday for the first time the Soviet side raised the question of including other naval nuclear arms in the statement, besides SLCMs.

Now I will explain why it is quite difficult for us to accept your proposal on differentiating between nuclear and non-

nuclear SLCMs. First and foremost, SLCMs are covered by political statements that are not part of the treaty. Nuclear ALCMs are covered by the treaty itself, therefore it is quite natural to differentiate them from non-nuclear [missiles].

We have thousands of non-nuclear SLCMs. A special feature of their production is that it is the same as the nuclear. You are essentially asking us to transfer the approach developed for ALCMs to a completely different situation, I would say it would be pushing the control over SLCMs through the back door. But we always maintained that they could not be controlled. That is why they are considered separately.

As for your argument that you won't know how many SLCMs we have, this is not the case. [Our] budget is published, and you know how many nuclear and non-nuclear sea-based cruise missiles we produce every year.

In conclusion, I would like to emphasize one more time that we made great efforts in order to meet you halfway on the main issues of the SLCMs and ALCMs.

Shevardnadze. If I start listing everything that happened in the course of our negotiations, two days will not be enough to list all our concessions.

Gorbachev. That's true; the American side should not assign all the credit for achieving the agreement to itself.

Shevardnadze. It would be difficult for us to defend this treaty in the Supreme Soviet. We made the biggest concession to agree to resolve the issue of SLCMs on the basis of a political statement.

Gorbachev. How can we convince the Supreme Soviet?

Shevardnadze. This will not be easy. Besides, we gave up [our right] of inspection of any submarines and ships with SLCMs. Therefore, we have all the right to expect that the United States would move more in the direction of our position, as we have done, taking into consideration the specific concerns about which the U.S. side told us.

Gorbachev. If your unwillingness to agree to inspections of ships with SLCMs is related to your concern that all your ships would be subject to such inspections, then maybe we could agree on the following: let us establish a minimal quota, let us say, two ships a year, which would be subject to selective inspections. Or does your position consist of the condition that an alien foot should never be able to step on an American ship?

Baker. We, of course, would prefer precisely this solution. We do not want to start movement down this slippery road.

Gorbachev. A quota--one or two selective inspections per year--would permit us to tell the Supreme Soviet that some control was envisioned. What is it that bothers you? Tell me honestly.

Baker. We always held the position that SLCMs could not be controlled and therefore could not be considered in this treaty. And we welcomed your willingness to agree to the resolution of this in the framework of a separate statement.

Gorbachev. We welcome the appreciation you showed of how serious this issue is for us. If it is not resolved, there would be no treaty. But we have to do something on the inspections.

Baker. We agreed to establish an overall limit on the number of SLCMs. It was not easy for us. But if you are saying that the absence of inspections of SLCMs puts the treaty in danger, then the situation truly becomes very different.

You are asking how you would persuade the Supreme Soviet.

Gorbachev. And ourselves too.

Baker. We will also have to persuade ourselves and the Congress. For example, the treaty does not envision a prohibition on modernization of the heavy ICBMs, even though we were seeking it actively. You, however, are telling us that there could be no talk about such a prohibition. So we had to meet you halfway, even though in our country very few people are happy about that. This is the logic of compromise.

Gorbachev. I think that every position about which we are negotiating should presuppose some form of inspection. We agreed to a separate document on the SLCMs. But in order for that to be a serious document, we need a mechanism of control or inspection.

You are worried that in that case almost the entire American fleet would suddenly be subject to inspection. OK, we are willing to free you from that [concern], by establishing the quota of two inspections per year. This is an insignificant number, considering the fact that you have hundreds of ships.

Baker. If we propose to the Congress to approve the limitations on any kind of weapon systems, then the Congress would ask--is that possible to inspect. The SLCMs are not possible to inspect. Neither you nor we can inspect them.

Gorbachev. We only propose selective inspections. One or two per year. And you are against any inspections. Why?

Baker. Because the SLCMs are not part of the treaty. And precisely because they cannot be controlled effectively. And as far as it is the fact, we cannot agree to a regime that does not provide an opportunity for an effective control. "Some kind" of control would be a mistake. The Congress would not agree to that, they would say it was a fiction. The Congress would say to us that if the treaty was not limiting the SLCMs and that the issue was resolved by a political statement, then why would you need to establish a system of inspection, which would not be effective anyway.

We made very serious progress in the direction of your position on the SLCMs and the ALCMs. We accepted your position on the range limits of the ALCMs, on the overall limits on the SLCMs

on limiting the number of heavy bombers. All these issues, which were left "hanging" during the last five or six years, were resolved in the last two weeks.

Shevardnadze. If one was to count concessions, then the biggest concession is the agreement by the USSR to resolve the issue of the SLCMs on the basis of a political statement.

Baker. We admit that.

Gorbachev. In the treaty on the 50 percent reduction of strategic offensive weapons, the Soviet Union made such a concession that the American side did not even anticipate. I am talking about the agreement to cut the number of our heavy missiles by half. We agreed to that in Reykjavik. Compared to that, American concessions are just sunflower seeds.

Baker. Tell that to the Congress.

Gorbachev. Are you inviting me? Seems to me that this is the first time. Seems like members of Congress don't want me to speak there for some reason.

I will continue. If you look at the structure of the Soviet forces subject to reductions, you will see that the Soviet Union is destroying hundreds of very modern missiles. And you will be cutting the old trash, recyclables, which you would be eliminating in any case. As far as submarines are concerned, yes, here you are cutting more modern weapons as well, but on the whole, the situation is such that our Supreme Soviet could ask

the legitimate question: why does the Soviet leadership agree to such reductions, which weaken the basic units of our arsenal?

If one looks at the prospects of our further negotiations, then what are the consequences of the current American position? The United States is taking out the strict limitations or strict inspections of precisely the kinds of weapons--planes, sea and air-launched cruise missiles--that focus on development and modernization, and to which the Soviet Union has been paying less attention. What are the implications of such a position? It would make further negotiations more difficult.

Baker. I agree with your words that the Soviet Union made a big concession by agreeing to a political statement on SLCMs. We acknowledge that this made the treaty possible. But as soon as you agreed to it, certain consequences were to follow.

For our part, we feel that we also made significant concessions to the Soviet Union. In particular, [we agreed to] establish a limit on the total number of SLCMs and a formula to limit the number of heavy bombers.

I do not think that our agreements will complicate the process of arms reductions and limitations. Let alone that limits under the treaty will be in effect for at least fifteen years, I want to mention the possibility of accepting at the summit a joint statement for future negotiations on strategic offensive

weapons. We made good progress in preparations and the work continues.

Gorbachev. And what will the military men who are here with us today say about this?

Akhromeyev. The main breakthrough on the SLCM issue was achieved in Washington in 1987. Everyone here knows that this is where the foundation was laid. In a joint statement, the parties agreed to establish a separate limit on the number of SLCMs and find means of control. If we didn't find these means, it is because only one side was interested in this, the Soviet Union. The United States was not. Therefore, the lack of control, as noted by President Gorbachev, really does create a problem.

Gorbachev. We will be suspicious of your intentions. The question will arise whether we can trust the United States.

Baker. Every year we will make a statement on cruise missiles, they will be politically binding in nature. The American system is quite transparent, and it is inconceivable that the United States could produce SLCMs in violation of the agreement. This is guaranteed by the open nature of our defense budget.

Gorbachev. If this is the case, then why is it not known how many nuclear SLCMs you are planning to produce?

Baker. It seems you know how many. The level proposed by the Soviet side--760 units--is almost entirely in line with our plans. The difference is only two units.

Gorbachev. What we know is another question. Our intelligence services work, and so do yours. And it seems they are feeding each other information (general laughter).

Baker. By the way, the joint statement from the Washington summit does not say that the parties will find a solution to the issue of control over SLCMs. It says they will seek a solution. And we tried to find it.

Gorbachev. So maybe we should add a formula to the text of the political statement that the parties will seek a solution to this problem? This way, we will at least confirm the old position.

Baker. You are suggesting to repeat the Washington formula?

Gorbachev. At least if such a political statement will be made simultaneously with the conclusion of a treaty on SLCMs, if the sides state that they will continue to search for a solution to this problem, we will be able to convince the Supreme Soviet. If we can't make progress, then at least let us confirm the old position. Otherwise it will be a setback.

It seems to me that the phrasing that both sides would keep searching for a solution to this problem, which was included in the political statement, would help both you, and us, to avoid

many problems in the course of ratification. I would ask you to think about this.

Bartholomew. Right now we are working on the basis of the Soviet draft of the document. And it did not mention the means of inspection. It only talks about the measures of cooperation.

Gorbachev. Yes, I know. But please allow the President of the USSR to have his own opinion.

The issue of ratification of the future treaty is an exceptionally important issue. If we sign the treaty and it is not ratified, it would be trouble, a scandal.

Baker. That already happened once before. We will think about your proposal.

Gorbachev. The issue of limits of heavy bombers with ALCMs. This is an important thing. We proposed the limit of 120 planes, and above that--according to the actual number of ALCMs. Your proposal is 180 heavy bombers. The difference is 60 planes. [This is] a big difference, corresponding to 1,200 units of ALCMs. Maybe we should split that difference in half and establish the limit of 150 planes.

Baker. I agree. Next issue.

Gorbachev. Range limits. Here I take your position.

Baker. Are you ready to make an exception for Tacit Rainbow?

Gorbachev. Yes, I am ready.

Baker. The issue that remains is the range limits for SLCMs.

Gorbachev. We need to agree on the number of nuclear-equipped SLCMs. Let's meet each other halfway. In other words-- 800 units.

Baker. I think we should split the difference between our current position and your current position--760 and 1,000. Then the limit should be 880 units.

Gorbachev. I agree. But then we need to affirm that both sides would be seeking methods of inspection of SLCMs.

Baker. This is your proposal.

Gorbachev. At least it allows us not to step backward.

Baker. We will consider it. We still have planned conversations today and tomorrow. But I would like to be reassured that you propose to restate the formula that was included in the Washington joint statement. In other words, you are not proposing that the two sides would announce that they would actually implement the stipulations of the political statement. They would just be seeking ways to inspect SLCMs. This will be just a statement of intentions.

Gorbachev. Yes, I propose the Washington formula. It would not be easy for us to defend this position in the Supreme Soviet, but at least we will be able to say that we have been seeking and will continue to seek a solution for this issue. Otherwise, it might seem that this issue was buried.

Baker. If we accept your proposal, then you will not raise the issue of distinctive features of nuclear-equipped SLCMs?

Gorbachev. I think we will accept the formula that at the next stage [of negotiations, both] sides would raise all the issues of concern to them. We can remove them for right now.

Baker. I want to return to the question of range limits for SLCMs. The statement will include SLCMs with a range over 600km. With regard to the confidential exchange of data, we believe the data should be confined to SLCMs with a range of 300-600km, and not other nuclear weapons like bombs, etc.

Gorbachev. I understand your position. I think we agreed on some things, but some details remain that need to be worked out. Let us not rush through this.

Baker. But my consent for the range of SLCMs will depend on the details.

Gorbachev. The decisions will be made in a package.

Baker. I repeat, I can agree to a range of 600km on the condition that we will come to an agreement on what information will be transmitted in the 300-600km range.

Gorbachev. This question should be worked out.

We will have a statement on future negotiations on strategic offensive weapons and strategic stability. In that statement we could note that the sides will review the issues on which they

were not able to reach agreement in the treaty on 50 percent reductions.

Baker. I agree that we will have such a statement, if we can agree on wording.

Some more questions on strategic offensive weapons have not been resolved yet. I don't know if we have the opportunity to discuss them right now. I am talking about the issue of flight tests of heavy ICBMs, and the question of limiting the number of warheads on mobile ICBMs.

Shevardnadze. We made a good proposal on this issue. Our former position was 1,600 units. Now we are proposing 1,200. However, the U.S. proposal of 800 units is not fair.

Baker. We met you halfway. Before we had no position at all.

Gorbachev. We need to find a compromise solution.

Baker. Between 1,200 and 800.

We also would like to find a solution on the issue of limits on flight testing of heavy missiles. You know our former position on this issue. You rejected it. But we have to show something to Congress.

Shevardnadze. The United States currently proposes to limit the number of flight tests to two per year, and in addition to that the Soviet Union would be required to stop production of such ICBMs by 1993. If the U.S. insists on this proposal, this could negate all our work. As far as the issue of heavy ICBMs is

concerned, we have already made all the concessions that we could have made.

Akhromeyev. This issue was resolved in the Washington statement at the highest level.

Gorbachev. Our work is not finished with this treaty. The next stage will involve solution of more difficult tasks. And then we would be able to consider many issues, including those related to the heavy ICBMs, MIRVs, mobile ICBMs and so on.

Baker. If we agree that the treaty does not stipulate limits on the production of the heavy ICBMs, then we probably have a right to count on you to move toward our position on the issue of test flights to some extent.

Gorbachev. This is beyond the limits of this treaty. Right now we are not prepared to tell you anything on this issue. It would only slow down our work. I do not know, maybe to some extent, the statement about future negotiations and strategic stability would "swallow" this issue, and would give you something with which you can go back to Washington. But right now we are not ready to solve this issue, it would only complicate everything.

Baker. I promised to think about your proposal to restate the Washington formula on inspections in the statement on SLCMs. Maybe you could think of a different version that would move toward our position on the issue of test flights for heavy ICBMs.

Gorbachev. I think these are two different issues. We are now seeing outlines of a statement about future negotiations and strategic stability, and I think that at the second stage of our negotiations, we could very well discuss heavy ICBMs. I do not see [any] connection with the issue of SLCMs.

Baker. I did not imply that there was a connection. I would like to hope that before my departure from Moscow we would be able to resolve the two remaining issues relating to SLCMs, and that way the issues of SLCMs and ALCMs would be removed. Without [any] connection with these issues, we have concerns about the issue of heavy ICBMs. I told Minister Shevardnadze yesterday that our initial position, which is still on the table of negotiations in Geneva, presupposed cessation of testing, production and modernization of such missiles. We dropped it and asked only to set a limit--two flight tests per year and cessation of production in 1993. In the course of the negotiations, I realized that the position of ceasing production is impassable. Alright. Now I am only asking for one thing: consider whether you can accept any wording in the treaty that would limit the scope of testing of these highly destabilizing missiles.

Gorbachev. As I understand, the discussion of strategic offensive forces problems will continue. It seems we did some good work and made some decisions. I want to thank all the participants of this discussion.

Baker. Thank you, Mr. President.

(After talks with the delegations, the conversation was continued once again one-on-one).

Baker. I would like to thank you for your time and attention. I appreciate it, and the President appreciates it.

I would like to bring up the Lithuania issue. It has been repeatedly discussed between us; we had extensive conversations with E. A. Shevardnadze on this problem. As I told him, we tried to influence the Lithuanians through indirect channels, to get them to take a more moderate position. We said the same thing to our allies. At the same time as I was talking with E.A. Shevardnadze, we had indirect contact with Landsbergis.

It so happened historically that our countries have different positions on this issue. At his last press conference, President Bush acknowledged that this problem is creating some tension. That is why we really wanted the Lithuanians to put their decisions on hold on their own initiative and agree to come to Moscow to start negotiations.

We put pressure on the Lithuanians but at the same time refrained from certain concrete steps that Congress would have liked to impose on us.

As I said to Shevardnadze, today I have to meet with Prunskiene. I simply cannot renege on this meeting because the President received her at the White House. I will say the same

thing to her that we conveyed to them by other channels: they should suspend their declaration of independence, come to Moscow and open a dialogue. I would like to ask you: if they take this path, can we expect a dialogue? I am sure that should a dialogue begin, especially before our next summit, it would greatly improve the atmosphere for your meeting with President Bush. Such is political reality, it is necessary to take it into account.

Gorbachev. Yesterday N.I. Ryzhkov and I met with Prunskiene.

Baker. I know about this.

Gorbachev. I must say that our platform for maneuvering is limited. It takes a great deal of skill to execute a broad maneuver on this rather limited platform. I won't lay it out for you in detail. We are still committed to a political settlement of this problem. Yesterday we agreed that she will try to get a resolution at the Supreme Soviet of Lithuania to freeze the implementation of Lithuania's Independence Act.

Baker. And she agreed?

Gorbachev. Yes, she will try to get it done. The situation is currently pushing us and them towards a resolution. I told her that the Congress of People's Deputies adopted a resolution, declaring the Supreme Soviet of Lithuania's decisions invalid. For me as President, these decisions simply do not exist. However, I told her that I will try to make the argument, though it will be difficult, that the decision to freeze [the Act] is

viable and enables us to start a dialogue. I have to tell you that the overwhelming majority here is not prepared to accept this and is insisting on introducing presidential rule. So we will have to prove that this approach is acceptable.

At the same time I told her that she will have to do some work to prove that the present resolution is the best possible and viable compromise. I told her: if you had to rescind the Independence Act, you would be accused of letting Moscow bring you to your knees. If, however, you freeze its implementation, then you can say that the Act still exists, but is not being implemented.

All told, we spoke until 11 p.m. last night, and in the end she said that she will try to get it done. If the Supreme Soviet of Lithuania accepts such a decision, we will immediately create working groups and begin negotiations on all issues. The economic sanctions will be lifted and a normal process will get underway.

Baker. If the Supreme Soviet of Lithuania votes to freeze their declaration but at the same time it will remain as a declaration of intent, you will accept it?

Gorbachev. That problem is somewhat different. We are talking about freezing this declaration and beginning a discussion with the Center regarding realizing the Lithuanian people's right to self-determination.

I told her it is entirely possible that we may be able to work out single, common position. At the same time it is also possible this won't happen and we will have a referendum, with the Center's opinion on one side, and the Lithuanian opinion on the other. If the people decide to leave the Soviet Union, then we will begin the process of division. This won't be a simple task.

For example, a few days ago a delegation of ethnic Poles came to Moscow and declared that in the case of Lithuania's secession they would like to join with the Russian Federation. Approximately 500,000 Russians and Belarusians live in Lithuania. If the American administration goes to such great lengths to rescue any American from trouble, then how do you expect us to act? It is likely that a significant portion of Russians will want to leave Lithuania and return to the Soviet Union. This also needs to be resolved. Remember that France gave Caledonia 10 years for divorce proceedings.

There will be a great number of economic problems, a complex intertwining of economic concerns. We will have to agree on the format of economic relations. Military, defense questions. We have missiles there. This all needs to be resolved. That is why we are inviting them to have a normal constitutional process.

Lithuania has always been connected to Russia, its market has always been here. But we won't impose anything on them. If

they want to leave, that's their right. But you have to do things considerately, taking all problems into account. For instance, it turns out that in 1940 Stalin gave a few regions of Byelorussia to Lithuania. Now Byelorussians are demanding the return of their land.

Baker. When I was speaking to Congress I specifically mentioned the fact that Vilnius was not part of Lithuania until 1940.

Gorbachev. As well as Klaipeda. Instead of merging it with Kaliningrad Oblast, Stalin gave it to Lithuania. As for the Byelorussians, they say their republic suffered from the Chernobyl disaster. Many districts of Gomel Oblast had to be resettled due to the radioactive fallout. Even now they want to use the former Byelorussian regions to settle their citizens there. They adopted a resolution, which we tried to keep under wraps by the way, but they made it public it themselves.

I told Prunskiene yesterday: look at this mess you've made.

We are in favor of giving Lithuania economic and political autonomy, with the possibility of choosing a special status, such as a confederate. But at the same time all the issues must be resolved--humanitarian, territorial, etc. We will seek a solution for this problem. We will do everything we can to untangle this knot to everyone's best interests.

Baker. Do you think that she will succeed in convincing the Supreme Soviet of Lithuania?

Gorbachev. I think she will. There is already a split among them.

Baker. On Brazauskas' side?

Gorbachev. Yes.

We appreciate your position and your determination to help us find a way out of this situation. Right now it is important to show restraint. We will see how events unfold. Recently some comrades visited rural regions of Lithuania and saw that people there do not support the separatists. They are happy with the current situation; they receive concentrates from the Center, the existing network. I think this is why the Lithuanian leadership is afraid of a referendum.

Baker. Only 40 percent of the population voted for the current Supreme Soviet.

Gorbachev. Exactly. So, we will untangle this knot.

You have to understand that we could have taken a completely different route and acted more harshly, if we ourselves hadn't been the initiators of the democratization and reform process in our country. I'm under tremendous pressure; I'm getting telegrams with demands to take decisive action. I'm being told: look at what the American president does to protect his citizens! I'm going to show your President these telegrams.

We are firmly committed to our line and we are committed to a political settlement of this problem.

Baker. We wish you success in this and all of your efforts. I would like to affirm once again that the President and I support you, support perestroika, and we will act accordingly.

[Source: The Gorbachev Foundation Archive, Fond 1, opis 1.

Published in Sobranie sochinenii, v. 20, pp. 13-29. Translated by Anna Melyakova, Svetlana Savranskaya, and Chris Johnson.]